

VICTORY RESOURCES CORPORATION

(Owner & Operator)

GEOLOGICAL ASSESSMENT REPORT

(Event 4345048)

on a

LINEAMENT ARRAY ANALYSIS

Work done on

Tenure 633144

of the 5 Tenure

Toni 633144 Claim Group

of the

TONI PROPERTY

Nicola Mining Division

BCGS Map 092H.098

Centre of Work

5536000N, 680000E

**BC Geological Survey
Assessment Report
31189**

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(Amended June 6, 2010)

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SUMMARY

The five claim Toni 633144 claim group of the TONI property covers an area of 1289 hectares located 230 kilometres northeast of Vancouver, 35 kilometres southwest of Merritt, and 16 kilometres west of the past productive Elk/Siwash (*MINFILE 092HNE096*) property in south-central British Columbia.

Production from the Elk/Siwash property, located within a Middle Jurassic intrusive peripheral to the Nicola volcanic contact, is reported as 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered between 1992 and 1995. In 2004, global (bulk-tonnage and underground mineable) measured and indicated resources were reported to total 668,300 tonnes grading 9.66 grams per tonne gold (207,600 ounces) plus an additional 1,317,200 tonnes grading 4.91 grams per tonne gold (207,800 ounces) in the inferred category. Gold-bearing pyrrhotite and polymetallic gold-silver mineralization are hosted primarily by parallel to subparallel east-northeast trending pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks.

The Toni 633144 property is located within the eastern belt of the Nicola Group which is in a fault contact with the central belt of the Nicola Group. The fault is the northerly striking Kentucky-Alleyne fault zone and is four kilometres west of the Property.

The Property is underlain by the upper Triassic Nicola Group of basaltic volcanic rocks (*uTrNE*) in contact with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNsf*) which infringes into the Property from the east. An intrusive stock of late Triassic to early Jurassic granodiorite (*uTrJgd*) also is within the northern sector of the Property.

A batholith of granodiorite (*uTrJgd*) is located within three kilometres west of the MAL mineral skarn prospect (*MINFILE 092HNE002*) where copper mineralization is concentrated in the skarn zones with reported pyrite, subordinate magnetite and chalcopyrite associated with quartz-calcite veins.

The lineament array analysis on Tenure 633144 of the Property indicates dominant east-west structures, with subordinate northwesterly and northerly; the structures may be influenced by the major north trending Kentucky-Alleyne fault system to the west where numerous mineral prospects are hosted by northerly trending structures as opposed to the mineral controlling easterly trending structures east of the property hosted by easterly trending structures possibly influenced by the intrusive (*mJgr*) seven kilometres to the east.

The east-west structures reflect the structural trend on the HN-WEN showing (*MINFILE 092HNE058*) located three kilometres east of the Property and where Victory recently completed a diamond drilling program which resulted in the delineation of the Adit 1 east-west trending quartz vein with a true width of up to 3.0 metres. Although the quartz vein returned relatively low gold values, the high upper level mineral associated mercury values of the quartz vein may indicate increased gold values to depth.

The significance of the Adit 1 vein is that it occurs within 50 metres north of the W96-1 drill hole where a mineral hosting quartz vein was intersected from which assays averaging 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 3.81 metres of 28.43 g/t Au and 0.98% Cu.

The north-northwesterly trending structural trend indicates that this orientation may be the prime structural trend for mineral controls that may host potentially mineralized economic quartz veins as at the Elk/Siwash past producer.

This potential is indicated in the Brew showing (*MINFILE 092HNE275*) where the 40 metre wide northwest striking Brew fault hosts sections of strongly mineralized massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite and samples of pyritic clay-altered sections that have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic.

INTRODUCTION

In September, 2009 a Lineament Array Analysis was completed Tenure 633144 of the five claim Toni 633144 claim group (“Property”) of Victory’s TONI property. The purpose of the program was to delineate potential structures which may be integral in geological controls to potentially economic mineral zones that may occur on Tenure 633144 or other claims of the Toni 633144 property.

Information for this report was obtained from sources as cited under Selected References.

Figure 1. Location Map



PROPERTY DESCRIPTION AND LOCATION

The Property is comprised of five claims covering an area of 1289 hectares. Particulars are as follows:

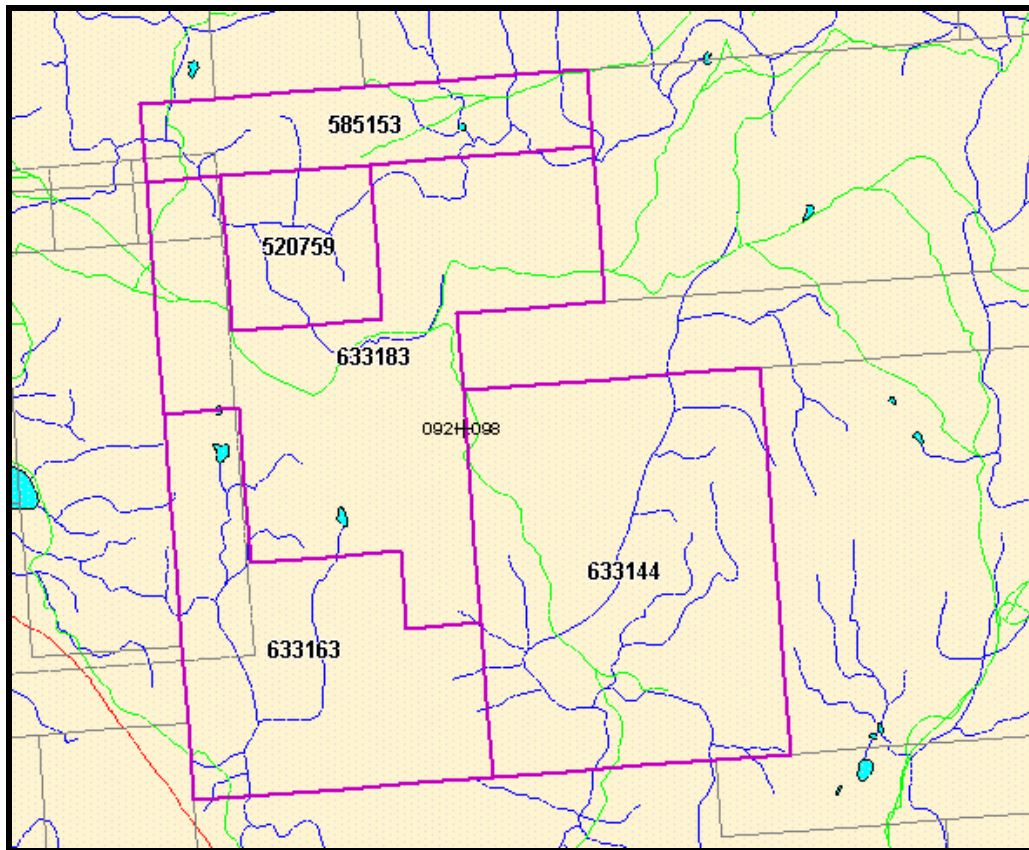
<u>Tenure Number</u>	<u>Type</u>	<u>Claim Name</u>	<u>Good Until</u>	<u>Area (ha)</u>
520759	Mineral	LUCKY GOLD	20101130	83.146
585153	Mineral	NORTH 1	20101130	124.7025
633144	Mineral	WENB	20101130	415.8874
633163	Mineral	WENC	20101130	270.3451
633183	Mineral	WEND	20101130	394.9934

Total Area: 1289.0744 ha

*Upon the approval of the assessment work filing, Event Number 4345048.

The Property is located within BCGS Map 092H.098 of the Nicola Mining Division, 230 direct kilometres from Vancouver, 35 direct kilometres from Merritt and 16 kilometres southwest of the ELK (Siwash) past productive deposit of Fairfield Minerals Ltd. The centre of the work area is at 5536000N, 680000E (NAD 83).

Figure 2. Claim Map



HISTORY: PROPERTY & AREA

Property

*AU-WEN Prospect (Intrusion-related Au pyrrhotite veins;
Polymetallic veins Ag-Pb-Zn+/-Au)*

MINFILE No 092HNE144

Within Property

The AU occurrence consists of gold-silver-copper mineralization just east of the historical Aspen Grove copper camp, between Merritt and Princeton. Work on this showing dates back to the 1930s when visible gold was discovered in soil. The occurrence is located 1.8 kilometres east-northeast of Pothole Lake, between Quilchena and Pothole creeks, 8 kilometres east-northeast of the community of Aspen Grove.

This prospect includes the Au claims and the FLIM and FLAM. The area was prospected in the 1930's for gold (Balon, 1994). McGoran (1979) reported that two prospectors, M. Bresnick and J. Kohler were able to pan colours from test pits although they failed to determine the source of the gold. Harry Nesbitt of Merritt staked the AU claims in 1969 and on his discovery of free gold in trenches prompted an option agreement with New Pyramid Gold Mines who in 1974 conducted further trenching followed by the completion of seven diamond drill holes. No details of the results of the drilling are available.

History: Property & Area (cont'd)*Property (cont'd)**AU-WEN (cont'd)*

The claims reverted back to Nesbitt who in 1978 sold them to Invex Resources Ltd. A program of soil sampling and trenching by Invex delineated a copper-gold-silver anomaly extending some 700m northwards of the original Nesbitt showing. The combined soil and rock sampling however indicated, that the copper and gold anomalies were more pronounced in the rock sampling where gold values ranged up to 740ppb and copper values to 2,900ppm. McGoran (1979) observed, "the gold mineralization appears to be confined to one or more microdiorite dykes".

Invex merged with Imperial Metals Corp. who continued exploring the claims and in 1983 drilled 2 holes near the Nesbitt zone. The drilling returned anomalous gold values ranging up to 650ppb. In 1984, David Heyman optioned the claims from Imperial Metals and after adding the FLIM and FLAM claims optioned the claim group to Algo Resources Ltd. In 1986 Algo conducted IP, magnetometer, soil sampling and geological surveys and the following year drilled nine HQ diamond holes totaling 587 metres. One drill hole, DDH 87-8 obtained the best grade intercept over a near surface 1.5m section that yielded 1.4 gpt Au, 92.89 gpt Ag and 3.58% Cu.

Algo relinquished its option and returned the claims to Heyman. Subsequent prospecting by Heyman and J.D. Rowe of Fairfield Minerals Ltd. resulted in the discovery of a 0.75m wide gold-bearing quartz vein north of the Nesbitt zone. Chip sampling of these newly discovered vein yielded gold values of up to 1.402 opt Au.

In 1993 Fairfield optioned the ground from Heyman and undertook soil geochemical, geological and geophysical surveys, as well as trenching. A soil grid covered the entire AU claims as well as the FLIM and FLAM claims resulting in a few scattered gold values greater than 50ppb. Fairfield dropped its option and the claims reverted back to Heyman.

In 1996, George Resources Company Ltd. commenced a program of line cutting and soil sampling covering parts of the AU 1, AU 3, AU 4 and FLAM claims. In addition, trenching and chip sampling of the Hodge Vein and the Nesbitt Zone were carried out. A grid consisting of 25 line kilometers was laid out from which 274 soil samples were collected. None of the soil samples analyzed by ICP yielded a gold value greater than 5ppb while the highest copper value was 77ppm. Carl Verley (1997) observed, "the area sampled was underlain by a blanket of boulder till or outwash". Channel sampling from three trenches cut across the Hodge Vein yielded gold values ranging from 30ppb to 6,600ppb in the wall rock and greater than 20,000ppb from the vein. At the Nesbitt zone, two trenches yielded gold ranging from 5ppb to 1,620ppb.

History: Property & Area**Area**

The history on some of the more significant mineral MINFILE reported occurrences, prospects, and past producers on and peripheral to the Property (Figure 3) are reported as follows

MAL prospect (*Cu skarn; Fe skarn; Au skarn*)

MINFILE 092HNE002

Two kilometres east

Initial work consisted of diamond drilling and trenching in the early 1960s on the main showing (Malachite 1, 2 and Chalcocite 1-2 claims), on which the occurrence is centred.

History: Property & Area (cont'd)**Area (cont'd)****HN-WEN prospect (Volcanic redbed Cu)***MINFILE 092HNE058**Three kilometres east*

Adits and trenches were initially cut around 1900; later work included diamond drilling and trenching in the 1960s and 1970s.

BIG SIOUX prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)*MINFILE 092HNE073**Five kilometres west*

This deposit was one of the first showings to be explored in the Aspen Grove copper camp. It was staked in 1899, and investigated periodically by H.H. Schmidt up to 1914. One shaft, 10 metres deep, an adit, 46 metres long, and numerous pits and trenches were excavated during this time. Forty-four tonnes of ore were shipped in 1918 grading 9.78 per cent copper and 67.9 grams per tonne silver. David Minerals Ltd., Amax Exploration Inc. and Norranco Mining and Refining completed soil and rock geochemical and geophysical surveys over the deposit between 1968 and 1978. The occurrence was restaked in 1989 after copper mineralization was exposed in a roadcut along the north side of the recently completed Coquihalla Highway (Phase 3 - Okanagan Connector). The deposit was subsequently mapped and sampled by Amex Exploration Services Ltd. in 1990, Northair Mines Ltd. in 1991 and Placer Dome Inc. in 1992.

BIG KIDD prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)*MINFILE 092HNE074**Five kilometres west*

This occurrence was first explored by H.H. Schmidt, with the excavation of several trenches and one adit, 69 metres long, between 1900 and 1915. An additional three adits, 12 to 90 metres long, were excavated some time between 1916 and the 1950s. The deposit was trenched and drilled by Noranda Mines Ltd. in 1956 after completing geological and geophysical surveys. Additional geophysical and soil geochemical surveys were carried out by Norranco Mining and Refining in 1969 and Amax Exploration Inc. in 1971. Amax also mapped and drilled the deposit in 1972. David Minerals Ltd. conducted geological and self potential surveys, trenching and 112 metres of diamond drilling in three holes between 1975 and 1980. The deposit was sampled by Northair Mines Ltd. in 1991 and Placer Dome Inc. in 1992. Drilling by Placer intersected 71 metres averaging 0.75 gram per tonne gold and 0.2 per cent copper in the north zone of the Big Kidd breccia.

Christopher James Gold Corp. drilled 10 holes, totalling 2074 metres in 1997. A 116-metre intersection graded 0.801 grams per tonne gold and 0.124 per cent copper, including a higher grade section of 19.46 metres grading 3.09 grams per tonne gold and 0.113 per cent copper (Exploration in B.C. 1997, page 38). This intersection is from the North zone. The Southwest zone, 350 metres to the south, and the Northeast zone also contained mineralization.

The next program by Christopher James Gold was a 2 staged drilling program completed during the fall in 1999. This program drilled a fan of three holes to the southwest and one parallel hole along the Big Kidd Breccia north contact. All four 1999 holes intersected significant lengths of gold-copper mineralized intrusion breccia with late porphyritic monzonite dyke and potassic (K-feldspar) alteration zones.

In 2003, Christopher James Gold Corp. drilled 9 holes and dug three trenches to test alkalic porphyry hosted by the Big Kidd breccia. Broad intervals of low-grade mineralization were encountered.

GEOLOGY MAP LEGEND

Pleistocene to Recent

PIR_{al}

Unnamed alluvial till

PIR_{vk}

Unnamed alkalic volcanic rocks

Upper Triassic

Eastern Volcanic Facie

uTr_{NE}

lower amphibolite/kyanite grade metamorphic rocks

uTr_{Nsf}

mudstone, siltstone, shale, fine clastic sedimentary rocks

uTr_{NMI}

basaltic volcanic rocks

uTr_{Jum}

unnamed ultramafic rocks

Central Volcanic Facies

uTr_{Nc}

andesitic volcanic rocks

Late Triassic to Early Jurassic

LTr_{Jgd}

unnamed granodiorite intrusive rocks

LTr_{Jdr}

dioritic to gabbroic intrusive rocks

History: Property & Area (cont'd)**Area (cont'd)****PAYCINCI prospect (Volcanic redbed Cu)***MINFILE 092HNE084**Six kilometres southwest*

The Cincinnatti deposit was first explored by the Bates brothers in the early 1900s. A number of trenches, and one adit 120 metres long, were excavated between 1899 and 1913. Payco Mines Ltd. and Alscope Consolidated Ltd. conducted geological and geophysical surveys, trenching and diamond and percussion drilling between 1963 and 1967. An additional 15 holes totalling 1000 metres were drilled by Gold River Mines and Enterprises Ltd. in 1973 and Sienna Developments Ltd. in 1979. The deposit was most recently sampled by Pacific Copperfields Ltd. in 1992.

In 1998, Christopher James Gold Corp. optioned the property. Reserves are estimated at 1.8 million tonnes grading 1 per cent copper (Tom Schroeter, 1998).

SHRIMPTON CREEK PLACER past producer (Surficial placers)*MINFILE 092HNE180**Eight kilometres south*

The creek was worked by F. Keeling in 1939, between 6.4 and 8 kilometres above Missezula Lake.

GEOLOGY: REGIONAL

The Aspen Grove geological district is located within the regional Quesnel Trough, a 30 to 60, km wide belt of Lower Mesozoic volcanic and related strata enclosed between older rocks and much invaded by batholiths and lesser intrusions (Campbell and Tipper, 1970). The southern part is the well-known Nicola belt, continuing nearly 200 km to its termination at the U.S. border and containing the important copper deposits of Highland Valley, Craigmont, Copper Mountain, Afton, Brenda, in addition to the historic Hedley gold camp.

The Nicola Group has been divided into western, central, and eastern belts on the basis of lithology and litho-geochemistry and by major fault systems. Variation from calc-alkaline to shoshinitic compositions from west to east has been interpreted to reflect eastward dipping subduction in the Nicola arc.

GEOLOGY: PROPERTY

The Property is situated within the eastern belt of the Nicola Group which is in a fault contact with the central belt of the Nicola Group. The fault is the northerly striking Kentucky-Alleyne fault zone and is four kilometres west of the Property.

As indicated by the BC government supported MapPlace geological maps, the Property predominantly is underlain by the upper Triassic Nicola Group of basaltic volcanic rocks (*uTrNE*) in contact with a succession of Upper Triassic mudstone, siltstone, shale, and fine clastic sedimentary rocks (*UTrNsf*) which infringes into the Property from the east. An intrusive stock of late Triassic to early Jurassic granodiorite (*uTrJgd*) also is within the northern sector of the Property.

A batholith of granodiorite (*uTrJgd*) is located within three kilometres west of the MAL mineral skarn prospect (*MINFILE 092HNE002*) where copper mineralization is concentrated in the skarn zones with reported pyrite, subordinate magnetite and chalcopyrite associated with quartz-calcite veins.

GEOLOGY: PROPERTY AREA

The geology on some of the more significant mineral *MINFILE* reported occurrences, prospects, and past producers on the Property and peripheral to the Property (Figure 3) are reported as follows:

MAL prospect (*Cu skarn; Fe skarn; Au skarn*)

MINFILE 092HNE002

Two kilometres east

The Malachite occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt or facies of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

The area of the Malachite occurrence is underlain by dark green, augite porphyritic andesitic to basaltic volcanics and fragmental rocks, with subordinate black argillite with local limy horizons, and feldspar porphyry (Assessment Reports 449, 1586). Some volcanic flow breccia contains pink trachytic fragments (Assessment Report 9590). Stratified rocks strike north-northwest and dip moderately to steeply west (Geological Survey of Canada Map 41-1989). Within 1 or 2 kilometres to the north of these rocks is the east-trending contact of the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

The volcanics and sedimentary rocks have been altered, probably the result of hydrothermal activity related to the Pennask batholith. Epidote alteration is common; potassium feldspar alteration is more restricted. Skarn alteration is most characteristic of this occurrence, as it hosts the main mineralization. It is closely associated with limy rocks, and is marked by epidote and garnet. North-trending gossanous shear zones have been exposed in trenches near the skarn zones (Assessment Report 449).

ANNIE OAKLEY, WART showing (*Polymetallic veins Ag-Pb-Zn+/-Au*)

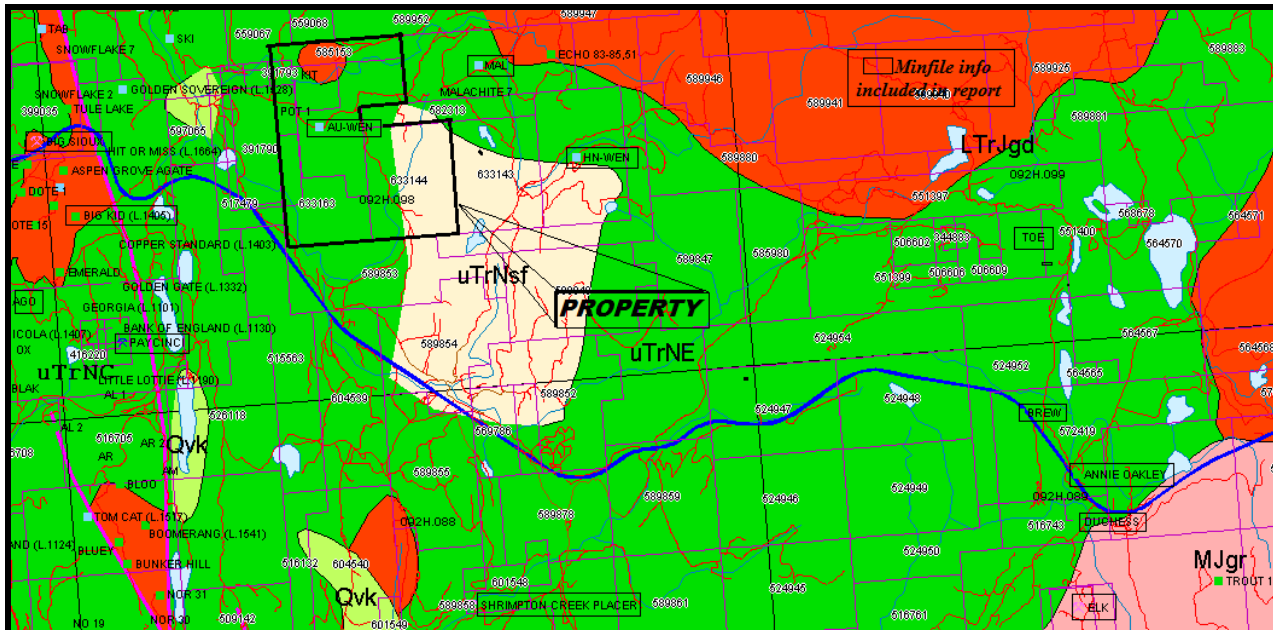
MINFILE 092HNE029

Sixteen kilometres east-southeast

This showing is hosted in variably silicified andesite of the Upper Triassic Nicola Group, 1.2 kilometres northwest of the Middle Jurassic Osprey Lake batholith.

The andesite is cut by a fault zone (Annie Oakley fault), striking 130 degrees and dipping 20 degrees south. This fault is possibly a splay off the Brew fault (see Brew, 092HNE275), 1.35 kilometres northwest. The zone is strongly clay altered and occasionally cut by quartz veins up to 6 centimetres wide. Trace to 1 per cent fine-grained pyrite is present within the fault.

Figure 3. Claim, Index, Geology, & Minfile



HN-WEN prospect (Volcanic redbed Cu)

MINFILE 092HNE058

Three kilometres east

The HN-WEN occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks and volcanic flows. The main Aspen Grove copper camp lies several kilometres to the west in the Central belt, separated by the north-striking Kentucky-Alleyne fault system (Bulletin 69).

The area of the occurrence is underlain by augite porphyritic volcanic flows of andesitic to basaltic composition, fragmental rocks including tuff and breccia, and argillites (Assessment Reports 1586, 4230). The argillites are dark grey to black, well bedded, and locally limy. They are somewhat carbonaceous and pyritic. Minor rock types present include feldspar porphyry and locally lenses of diorite. About 2.5 kilometres to the northeast is the contact with the Early Jurassic Pennask batholith, a large intrusion of medium-grained granodiorite to quartz diorite.

The contact between the volcanic rocks and the argillites passes through the centre of the mineralized area. The contact is parallel to bedding, striking 130 degrees and dipping 40 degrees southwest, with the volcanic rocks on the northeast side (Assessment Report 4230).

Geology: Property Area (cont'd)

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)

MINFILE 092HNE060

Fourteen kilometres east

The Toe occurrence consists of minor copper mineralization located sporadically in the area between Paradise and Boot lakes, 21 kilometres northeast of the community of Missezula Lake. This area lies 18 kilometres east of the historical Aspen Grove copper camp, between Merritt and Princeton.

The Toe occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the Eastern belt or facies of the Nicola Group, which is characterized by submarine volcanoclastic rocks and volcanic flows (Bulletin 69; Geological Survey of Canada Map 41-1989). Exposure is limited in the Paradise and Boot lakes Breccias containing rounded volcanic, dioritic and granitic fragments in a granitic matrix crosscut Nicola rocks, Osprey Lake batholith and Otter intrusions rocks. The elongate breccia bodies vary in width from 5 to 30 metres and trend northeasterly.

These zones may be portions of major fault structures, but displacement, if any, is not readily apparent. Andesite dikes are the youngest units mapped, postdating all of the above. They are dark greyish green, fine grained and vary in thickness from 30 centimetres to 5 metres. They are commonly muscovite-altered and brown weathering. Strong orange and blue clay alteration is also evident in these rocks.

Mineralization appears to be spatially associated with these (Tertiary (?)) andesite dikes which are locally cut by quartz veins. The Nicola Group lithologies mapped on the Elk property consist of dark greyish green, massive basaltic andesite (some porphyritic containing pyroxene and/or amphibole phenocrysts and some containing 0.5-millimetre laminae of sand-sized black grains); pale grey-green siliceous laminated tuff; and brownish green to pale green agglomerates containing fragments from 5-50 centimetres in size. The Nicola rocks are occasionally silicified, carbonatized or epidote-altered. Iron oxide staining and finely disseminated pyrite are common.

Nicola rocks on the west side of the property dip approximately 60 degrees west, forming the east limb of a syncline. The syncline trends roughly north-south and its axis passes about 5 kilometres west of the property. Structural deformation in the area appears to be minimal.

The Osprey Lake granitic rocks are pinkish grey, medium to coarse-grained, equigranular quartz monzonite to granodiorite in composition. Pink, sugary textured aplite dikes cut the quartz monzonite. Quartz diorite related to the batholith is far less common and occurs as stocks. Dikes of quartz monzonite and hornblende-biotite-quartz monzonite also occur. Alteration includes weak to strong propylitic, argillic, phyllic and silicic assemblages.

The Otter intrusions comprise quartz feldspar porphyry, feldspar porphyry and quartz-biotite-feldspar dikes and stocks. The quartz feldspar porphyry is extensively clay altered.

Geology: Property Area (cont'd)**BIG SIOUX prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)***MINFILE 092HNE073**Five kilometres west*

The deposit is located at the north end of an area of hilly upland situated in the centre of the Aspen Grove copper camp, known as the Fairweather Hills. The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic pyroclastics and flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

The occurrence is hosted in variably amphibole, augite and feldspar porphyritic basaltic andesite, subjected to extensive fracturing, shearing and faulting. Alteration minerals include abundant epidote, and minor silica and chlorite. Some microdiorite and diorite are also present.

BIG KIDD prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)*MINFILE 092HNE074**Five kilometres west*

The deposit is located along the northern margin of an area of hilly upland situated in the centre of the Aspen Grove copper camp, known as the Fairweather Hills. The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic ash flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

A vertical or subvertical breccia pipe, nearly circular in outline and about 300 metres wide, is developed in a body of fine-grained diorite, which may in part be recrystallized volcanics. The pipe consists of angular to subrounded clasts of volcanics, fine-grained diorite (microdiorite) and pinkish grey monzonite and syenomonzonite porphyry in a matrix of altered diorite intrusive material and finely comminuted rock. The fragments are 1 centimetre to several metres in diameter.

Parts of the breccia, especially on the north and east sides of the pipe, show extensive late magmatic and/or hydrothermal alteration and recrystallization. Breccia clasts in these areas have pronounced grey and pinkish grey alteration rims, and the matrix is extensively replaced by epidote, chlorite and calcite.

Geology: Property Area (cont'd)**PAYCINCI prospect (Volcanic redbed Cu)***MINFILE 092HNE084**Six kilometres southwest*

The deposit is located in the southern portion of an area of hilly upland situated in the centre of the Aspen Grove copper camp, known as the Fairweather Hills. The Fairweather Hills region is underlain by the Central volcanic facies of the Upper Triassic Nicola Group, comprising intermediate, feldspar and feldspar augite porphyritic pyroclastics and flows, and associated alkaline intrusions. The intrusions vary from diorite to monzonite in composition and are thought to be comagmatic with the Nicola Group, ranging in age from Late Triassic to Early Jurassic.

Locally, the area is underlain by red and green laharic breccias, augite andesite porphyry and minor sediments of the Nicola Group (Central belt, Bulletin 69). The units generally strike north-northwest and dip east. This sequence is broken up into a series of tilted fault blocks trending north.

Hypogene and supergene copper mineralization occurs in green laharic breccia, near the contact with red laharic breccia to the east. This mineralization consists primarily of disseminated and fracture controlled chalcocite and native copper, accompanied by lesser malachite and azurite, and minor chalcopyrite, bornite, cuprite and pyrite. Drilling indicates chalcopyrite becomes more abundant at depth at the expense of chalcocite. This mineralization is exposed along the crest and east flank of a small northerly trending ridge, over a north-south distance of 400 metres.

ELK Past Producer (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn*+/-Au; Au-quartz veins)**MINFILE 092HNE096**Sixteen kilometres southeast*

The Elk property is underlain by Upper Triassic volcanics and sediments of the Nicola Group and by Middle Jurassic granites and granodiorites of the Osprey Lake batholith. The contact between these units trends northeasterly across the property. Early Tertiary feldspar porphyry stocks and dikes of the Otter intrusions occur throughout the property. The western property area is underlain by steeply west-dipping andesitic to basaltic flows, agglomerates, tuffs and minor siltstone and limestone units of the Nicola Group. The eastern half of the property is underlain by granitic rocks of the Osprey Lake batholith. Early Tertiary feldspar porphyry and quartz feldspar porphyry stocks and dikes of the Otter intrusions cut both of the above.

DUCHESS showing (porphyry Cu +/-Mo+-Au)*MINFILE 092HNE137**Sixteen kilometres southeast*

The Duchess occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The area of the Duchess occurrence straddles the contact between the Eastern belt or facies of the Nicola Group, which is characterized by submarine volcanoclastic rocks and volcanic flows, and the Osprey Lake batholith to the east (Bulletin 69; Geological Survey of Canada Map 41-1989). The volcanics generally consist of augite porphyritic andesitic or basaltic flows and lapilli tuffs, and are accompanied by diorite and minor argillaceous sedimentary rocks (Assessment Reports 4525, 18041, 20994).

Geology: Property Area (cont'd)**DUCHESS (cont'd)**

The Osprey Lake batholith is a large, composite, locally megacrystic granite to granodiorite intrusion of Middle Jurassic age (Geological Survey of Canada Paper 91-2, page 95).

The Duchess occurrence is on the northwestern margin of the batholith, which in this area consists of hornblende biotite granodiorite with a weak foliation parallel to its margin (Assessment Report 4525). The adjacent andesitic volcanics have been contact metamorphosed and hydrothermally epidotized, with minor secondary carbonate (Assessment Report 4525).

AU-WEN prospect (Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE 092HNE144

Within Property

The AU occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of well-bedded submarine volcanoclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part. The assemblage is characterized by a paucity of intrusive rocks in comparison to the main Aspen Grove copper camp in the Central belt a few kilometres to the west, separated by the Kentucky-Alleyne fault system (Bulletin 69).

The AU occurrence is centred on the main gold showing, a small stripped, drilled and trenched area just off a gravel road south of Quilchena Creek (Assessment Reports 5766, 16008). This and most of the surrounding area is underlain by andesitic to dacitic tuff, cherty tuff, black argillite, and volcanic sandstone and siltstone. The rocks are strongly fractured in a variety of orientations. Bedding in the tuff has been measured to strike 060 degrees and dip 54 degrees northwest, but it varies.

About 1 kilometre to the north of the main showing is biotite hornblende granodiorite and quartz monzonite of the Early Jurassic Pennask batholith, and about 500 metres to the west are porphyritic andesitic and basaltic volcanic rocks (Bulletin 69; Assessment Report 16008). Small bodies of diorite and micromonzonite, possibly subvolcanic, are quite common in the area, on the surface and in drill core (Assessment Report 16008). Some of the volcanics have sustained carbonate and epidote alteration, and locally they have pervasive hematite (Assessment Report 16008).

SHRIMPTON CREEK PLACER *past producer (Surficial placers)*

MINFILE 092HNE180

Eight kilometres south

Shrimpton Creek flows southwest from its headwaters immediately south of The Wart for 10 kilometres. The creek continues south- southwest for 6 kilometres before entering Missezula Lake, 38.5 kilometres north of Princeton. Most of the creek flows through a broad, gently sloping valley, which steepens somewhat in the lower 4 kilometres.

Geology: Property & Area (cont'd)**POT 1 showing (Volcanic redbed-Cu)***MINFILE No 092HNE204**One kilometre west*

The Pot 1 occurrence is hosted in the Upper Triassic Nicola Group, which regionally consists of alkalic and calcalkalic volcanics and intrusions of island arc origin, and which is the principal component of the Quesnel Terrane in southern British Columbia (Geological Survey of Canada Maps 41-1989, 1713A). This belt has been of major economic interest because of its potential for porphyry copper-gold mineralization.

The occurrence lies in the northern assemblage of the Eastern belt or facies of the Nicola Group (after Preto, Bulletin 69). This assemblage mainly consists of alkalic volcanic flows and well bedded submarine volcanoclastic rocks, ranging from tuffaceous volcanic siltstones characteristic of the lower part, to coarse volcanic conglomerate and laharic breccias in the upper part. The assemblage is characterized by a paucity of intrusive rocks in comparison to the main Aspen Grove copper camp in the Central belt a few kilometres to the west, separated by the Kentucky-Alleyne fault system (Bulletin 69).

The area of the Pot 1 occurrence is underlain by purple to grey-green augite plagioclase porphyritic andesite to basalt (or trachyandesite and trachybasalt) (Bulletin 69; Preliminary Map 15). Minor volcanic siltstone, wacke and tuff may be present (Assessment Report 13714). These rocks are intruded by northwest-striking dikes of granodiorite to quartz monzonite. The volcanic rocks at the showing are highly fractured and altered with epidote, quartz-carbonate veins, and minor hematite (Assessment Report 13714)

BREW showing (Alkalic porphyry Cu-Au; Subvolcanic Cu-Ag-Au; As-Sb)*MINFILE 092HNE275**Fifteen kilometres southeast*

This occurrence is hosted in volcanics and minor sediments of the Upper Triassic Nicola Group, 2.6 kilometres northwest of the Middle Jurassic Osprey Lake batholith. The volcanics consist primarily of andesite and fine-grained diorite. The contact between the two units is gradational, suggesting the diorite may be a subvolcanic equivalent of the andesite. Minor tuffs, lapilli tuffs, agglomerates, and feldspar porphyritic andesite are also present. The sediments consist of mudstone, siltstone, shale, and rare carbonate, intercalated with the pyroclastic units.

A major fault zone, the Brew fault, striking 140 degrees and dipping steeply southwest, is exposed along the Coquihalla Highway for 600 metres.

The zone is approximately 40 metres wide. It is somewhat gossanous and exhibits carbonate and clay alteration and sporadic silicification. Some quartz +/- calcite stringers and blebs are present but not common. Pyrite is ubiquitous along the entire fault. Sections of the zone are strongly mineralized with massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite. Samples of pyritic clay-altered sections have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic (Assessment Report, 18041, page 8, samples 128665, 44719)

A sample from a zone of quartz stringers analysed 0.600 gram per tonne gold (sample 239716).

This fault is traversed by several significant fault/shear zones striking 100 to 120 degrees. One major crossfault, the Mugwump fault, is exposed west of the Brew fault, striking 100 degrees and dipping 60 degrees south.

Mineralization: Property Area

MAL prospect (*Cu skarn; Fe skarn; Au skarn*)

MINFILE 092HNE002

Two kilometres east

Copper mineralization is concentrated in the skarn zones. Pyrite and subordinate magnetite and chalcopyrite are associated with quartz-calcite veins, or are disseminated in variable amounts (Assessment Report 1586). Chalcocite and malachite are also present at the main showing (Assessment Report 8453). Finely disseminated pyrite is common in most rocks, particularly the argillaceous rocks (Assessment Reports 1718, 9590). A zone of massive, medium-grained pyrite between 1 and 13 metres thick, in altered volcanic rocks, has been found below the surface by diamond drilling; the paragenesis is epidote, magnetite, pyrite (Assessment Report 9590).

Copper values appear to be erratic. In early diamond drilling, the best result reported is 1.62 per cent copper over 6 metres; this section contained at least 50 per cent magnetite (Assessment Report 449, page 6). More recent diamond drilling has resulted in generally low metal values, although one split core sample assayed 0.37 per cent copper and 6.8 grams per tonne silver (Assessment Report 9590). A grab sample from the main trenched and drilled area assayed 0.34 gram per tonne gold, 3.4 grams per tonne silver, and 0.2 per cent copper (Assessment Report 8453).

The high magnetite and pyrite content of the rocks at this occurrence is reflected in significant magnetic and induced polarization anomalies, respectively, over the mineralized zones (Assessment Reports 1586, 8453)

ANNIE OAKLEY, WART showing (*Polymetallic veins Ag-Pb-Zn+/-Au*)

MINFILE 092HNE029

Sixteen kilometres east-southeast

A sample of chips from a 2-centimetre wide drusy quartz vein, associated with a narrow clay shear, assayed 2.43 grams per tonne gold, 38.1 grams per tonne silver, 0.27 per cent copper and 1.71 per cent arsenic (Assessment Report 21922, page 9, Table 2, sample WART-R2). Two other samples of quartz vein material, containing scattered grains and bands of galena and sphalerite, assayed 1.17 to 2.23 grams per tonne gold, 264.7 to 1046 grams per tonne silver, 0.15 to 0.53 per cent lead, 0.92 per cent zinc and 0.38 to 0.82 per cent arsenic (Assessment Report 21922, page 9, Table 2, samples WART-R1, WART-R3). A bulk sample yielded 1.2 grams per tonne gold and 0.7 gram per tonne silver (Assessment Report 20994, page 10, sample 16961).

HN-WEN prospect (*Volcanic redbed Cu*)

MINFILE 092HNE058

Three kilometres east

The mineralization is restricted to the volcanics. It is exposed in 3 adits and at least 8 trenches, and is marked by alteration, mainly epidotization, silicification, carbonatization, moderate chloritization and local pyritization. Chalcopyrite is the only copper mineral: it is disseminated, or concentrated in quartz and calcite veins and veinlets between 0.3 and 30 centimetres thick, usually about 8 centimetres thick. Pyrite, pyrrhotite and rare specular hematite are also present in the veins. Locally oxidation has produced abundant malachite, azurite and limonite.

The mineralized zone measures 760 by 90 metres and has a depth of about 75 metres. Diamond drilling indicates that it strikes 160 degrees and dips vertically or steeply east, so it is not parallel to the volcanic-sedimentary contact, indicating that the contact is not the controlling factor.

Mineralization: Property Area (cont'd)**HN-WEN** (cont'd)

Rather, the veins hosting the mineralization are structurally controlled by numerous faults and fractures which consistently strike 160 degrees and dip 85 degrees east (Assessment Report 4230).

Incidentally, the Echo occurrence (092HNE059) lies on this trend, 2 kilometres to the north-northwest, and the mineralization may also extend south-southeast of the HN-WEN occurrence (Assessment Report 4230).

Some significant copper and silver values have been obtained from the workings and diamond drill core. A 1.5-metre chip sample from Adit Number 1 was assayed at 4.39 per cent copper, 92.6 grams per tonne silver, and 0.7 gram per tonne gold (Assessment Report 4230). A grab sample from here was assayed at 4.84 per cent copper, 46.6 grams per tonne silver and 0.7 gram per tonne gold (Assessment Report 4230). Both samples were from oxidized material and may not be representative of grade throughout the deposit (Assessment Report 4230). A drill core sample (hole HNS 72-1) assayed 1.12 per cent copper and 3.4 grams per tonne silver (Assessment Report 4230).

The average grade of the whole deposit has been estimated at 0.08 per cent copper, with a generally low gold and silver content (Assessment Report 4230).

TOE prospect (Volcanic redbed Cu; Alkalic porphyry Cu-Au)**MINFILE 092HNE060***Fourteen kilometres east*

A major copper soil anomaly occurs within the Toe claim group, measuring 3500 by 900 metres; a mercury anomaly is associated (Assessment Reports 1049, 1586). The highest soil anomaly was 0.07 per cent copper (Assessment Report 1586)

BIG SIOUX prospect (Volcanic redbed Cu; alkalic porphyry Cu-Au)**MINFILE 092HNE073***Five kilometres west*

Copper mineralization is exposed along a 300-metre long roadcut and in various old workings north of the roadcut, in an area 500 metres long and 300 metres wide. Mineralization consists primarily of pyrite and chalcopyrite, as disseminations, blebs, fracture fillings, and in calcite and epidote veins. Pyrite also forms thin bands, comprising up to 25 per cent of the hostrock. Malachite occurs along fractures in many surface exposures. Chalcocite forms fracture fillings in one prominent 1.8-metres wide shear zone, striking 075 degrees and dipping 75 degrees north. Minor bornite is also reported.

One chip sample taken along the roadcut assayed 3.27 per cent copper, 14.45 grams per tonne gold and 34.1 grams per tonne silver over 10 metres (Assessment Report 20834, page 5). Channel sampling along a trench analysed 0.223 per cent copper, 0.106 gram per tonne gold and 1.26 grams per tonne silver over 27 metres (Assessment Report 7100, page 11, trench 4). A composite grab sample from the dump of a shaft, excavated in the chalcocite-bearing shear zone, assayed 12.6 per cent copper, 0.7 gram per tonne gold and 82 grams per tonne silver (Minister of Mines Annual Report 1901, page 1181).

Mineralization: Property Area (*cont'd*)**BIG KIDD** prospect (*Volcanic redbed Cu; alkalic porphyry Cu-Au*)

MINFILE 092HNE074

Five kilometres west

Mineralization is erratic and consists of abundant magnetite, and pyrite, lesser chalcopyrite, and traces of bornite and chalcocite, as disseminations, lenses, scattered blebs and veinlets. Cuprite and native copper are also reported. This mineralization tends to favour the zones of alteration, but is not proportional to the intensity of alteration. The sulphides are in part controlled by zones of shearing and fracturing in the northeastern portion of the deposit. Limonite, malachite and azurite are present at or near surface. Pyrite occurs primarily as disseminations up to 5 millimetres in diameter. The mineral also occurs along fractures in association with chalcopyrite, orthoclase, quartz and/or carbonate. Chalcopyrite tends to be finely disseminated and is usually associated with magnetite, intimately associated with pyrite, and forms pseudomorphs after pyrite. Pyrite-chalcopyrite intergrowths are prevalent along fractures. Bornite is often found in magnetite-chalcopyrite blebs and veinlets, which often display epidote halos.

Copper content is quite variable, and precious metal values are low but anomalous. Channel sampling of an adit yielded 0.901 per cent copper, 0.141 gram per tonne gold and 13.66 grams per tonne silver over 14 metres (Assessment Report 7100, page 8, adit no. 1) Channel sampling of a trench, 90 to 190 metres west of the adit, yielded 0.237 per cent copper, 0.095 gram per tonne gold and 3.37 gram per tonne silver over 35 metres (Assessment Report 7100, page 9, trench no. 12). Trenching and sampling of the northern margin of the breccia pipe yielded gold values of up to 1.97 grams per tonne over 6 metres (Assessment Report 8743, Figure 3.)

PAYCINCI prospect (*Volcanic redbed Cu*)

MINFILE 092HNE084

Six kilometres southwest

Hypogene and supergene copper mineralization occurs in green laharic breccia, near the contact with red laharic breccia to the east. This mineralization consists primarily of disseminated and fracture controlled chalcocite and native copper, accompanied by lesser malachite and azurite, and minor chalcopyrite, bornite, cuprite and pyrite. Drilling indicates chalcopyrite becomes more abundant at depth at the expense of chalcocite. This mineralization is exposed along the crest and east flank of a small northerly trending ridge, over a north-south distance of 400 metres.

Drill indicated reserves are 54,000 tonnes grading 0.876 per cent copper (Assessment Report 7654, page 1). Precious metal values are generally low. Six rock samples analysed 1.1 to 2.4 per cent copper, 0.005 to 0.010 gram per tonne gold and 1.3 to 5.7 grams per tonne silver (Assessment Report 14108, Figure 5, samples 2051 to 2056). One chip sample taken along a trench yielded 0.89 per cent copper over 49 metres (George Cross News Letter No. 90 (May 8), 1992).

ELK Past Producer (*Intrusion-related Au pyrrhotite veins; Polymetallic veins Ag-Pb-Zn**+/-Au; Au-quartz veins*)

MINFILE 092HNE096

Sixteen kilometres southeast

Gold-silver mineralization on the Elk property is hosted primarily by pyritic quartz veins and stringers in altered pyritic granitic and, less frequently, volcanic rocks. Crosscutting relationships indicate that the veins are Tertiary in age; they may be related to Tertiary Otter intrusive events.

Mineralization: Property Area (cont'd)**ELK Past Producer** (cont'd)

To date, mineralization has been located in four areas on the Elk property: Siwash North, South Showing (092HNE261), North Showing (092HNE281) and Siwash Lake (092HNE041, 295).

The Siwash Lake zone is 800 metres south of the Siwash North deposit; the North Showing and South Showing areas are 2 and 3 kilometres south of Siwash North respectively.

In the Siwash North area, gold occurs in veins measuring 5-70 centimetres wide, hosted by a zone of strongly sericitic altered granite and, in the west, volcanic rocks. In general, the mineralized zone trends east-northeast with southerly dips from 20-80 degrees (from east to west), and appears to be related to minor shearing. Quartz veining occurs in a number of parallel to subparallel zones. Each zone consists of one or more veins within an elevation range of 5 to 10 metres that can be correlated as a group to adjacent drillholes. In the eastern parts of the area, up to six subparallel zones occur. Five of these zones are consistent enough to be labelled the A, B, C, D and E zones.

Mineralization in the west has been identified in one or locally two zones (the B and C zones). The main mineralized zone (B) is consistent, with only minor exceptions, across the entire drill grid. The Siwash North structure has been tested to 335 metres downdip and along a strike length of 925 metres. The zone remains open to depth and along strike.

At surface, supergene alteration has leached out most of the sulphides with some pyrite and chalcopyrite remaining. Mineralization occurs primarily as native gold, occasionally as spectacular aggregates of coarse flakes in frothy quartz (strong pyrite boxwork) or in fractures in the vein. Electrum was noted in one area as very coarse-grained flakes associated with strong manganese staining. Gold is rarely seen in boxworks in sericitic (phyllic) alteration.

In drill core, mineralization has not been affected by supergene processes. Metallic minerals in drill core include pyrite, chalcopyrite, sphalerite, galena, tetrahedrite, maldonite ? pyrrhotite and native gold in order of decreasing abundance). Gold is strongly associated with pyrite and with a blue-grey mineral. Photomicrographs show the gold commonly in contact with this mineral, which may be a gold-bismuth alloy (maldonite?) or a copper-bismuth- antimony sulphosalt.

Gangue mineralogy consists primarily of quartz and altered wallrock fragments. Ankerite is commonly present, with lesser amounts of calcite. Minor barite is also present. Fluorite was noted in one vein as very small (less than 1 millimetre) zoned purple cubes scattered in the quartz.

Stronger alteration generally accompanies higher grade gold mineralization. Seven main types of alteration were recognized in the granitic rocks throughout the property: propylitic, argillic, sericitic, potassium feldspar stable phyllic, phyllic, advanced argillic and silicic. Locally, potassic alteration, skarnification and silicification are evident, but are relatively minor and do not appear to be related to mineralization.

Propylitic alteration is generally light green with biotite and hornblende altered to chlorite, and plagioclase is saussuritized. In volcanics, the colour is generally olive green, and the rock is soft. Argillic alteration is exemplified by bleached rock, with plagioclase white and clay-altered; potassium feldspar is slightly altered. Volcanics are bleached to light green or grey. Sericitic alteration is typically pale green with a micaceous sheen, with plagioclase altered to sericite; trace disseminated pyrite may be present. This type of alteration is often associated with quartz veins and appears to be the lowest grade alteration associated with gold mineralization. It is not recognized in volcanics.

Mineralization: Property Area (cont'd)**ELK Past Producer** (cont'd)

Potassium feldspar stable phyllic alteration is light pink, green or yellowish with potassium feldspar fresh and pink and blocky. Plagioclase and mafic minerals are altered to fine-grained quartz-sericite-pyrite. It often occurs with veins and is associated with gold mineralization; it is not recognized in volcanics.

Phyllic alteration is generally grey, fine-grained quartz-sericite-pyrite alteration usually associated with veins and often gradational to quartz and often auriferous. Advanced argillic alteration is exemplified by most or all of feldspar being destroyed, quartz is "free-floating". The alteration is often sheared and white in colour and is often associated with quartz veins. Volcanics are white or blue coloured. Silicic alteration is quartz veining or replacement that is hard with moderate conchoidal fracture. There is a strong symmetrical zoning of alteration around the quartz veins: vein-advanced argillic-phyllitic-potassium feldspar stable phyllic-argillic-propylitic.

Measured geological reserves of the Siwash North deposit are 308,414 tonnes grading 22.17 grams per tonne gold and 24.68 grams per tonne silver using a cutoff grade of 10 grams per tonne gold. Reserves are based on results from 107 drillholes at 50-metre grid spacings along 804 metres of strike length to 304 metres down-dip. All veining intercepts have been adjusted for true width and assays diluted to 2-metre mining widths (George Cross News Letter No. 223 (November), 1991).

The revised drill indicated reserve, based on more realistic open pit and underground mining widths of 0.39 to 0.79 metre with a 20.5 grams per tonne gold cutoff grade, is 122,458 tonnes averaging 54.5 grams per tonne gold (George Cross News Letter No. 65 (April 2), 1993).

From 1992 and 1995 (inclusive), 16,570 tonnes of ore were mined and milled and 1,518,777 grams (48,830 ounces) of gold and 1,903,000 grams (61,183 ounces) of silver recovered.

In 1996, Fairfield shipped all remaining stockpiles, estimated to contain 2700 tonnes and grading greater than 12 grams per tonne (Information Circular 1997-1, page 21). A total of 994 metres of ramp access and three development levels exist underground.

Reverse circulation drilling, underground diamond drilling, reclamation, road construction, water sampling and aerial photography were also undertaken during this period.

Surface and underground diamond drill programs were carried out in the Siwash Mine area from 1994 to 1996 to define the resource. Exploration surface drilling was also carried out during the 1995 and 1996 field seasons to test trench targets between the Siwash mine site and the South Showing area 2.5 kilometres to the south. Limited prospecting and environmental monitoring was undertaken from 1997 to 1999.

In 1995, Fairfield Minerals with the support from the Explore B.C. Program carried out an extensive program including geochemistry, 13,972 metres of surface and underground diamond drilling in 315 holes and reserve calculations.

Surface drilling was done on fences 10-50 metres apart, underground drilling on fences 10 metres apart. Reserve calculations by the company and consultant Roscoe Postle gave the following results (Explore B.C. Program 95/96 - A38):

Probable (undiluted) 16,991 tonnes at 28,200 tonnes at
50.2 g/t gold 26.6 g/t gold

Possible (undiluted) 50,260 tonnes at 66,400 tonnes at
42.0 g/t gold 31.4 g/t gold

The 1996 exploration program consisted of 6873 metres of drilling in 91 holes. The Siwash zone has been traced along a 914 metre strike length and down-dip to 245 metres.

Reserves estimated by the company at January 1, 1996 were 121,350 tonnes grading 25.4 grams per tonne gold and 35.3 grams per tonne silver.

Mineralization: Property Area (cont'd)**ELK Past Producer** (cont'd)

These include a diluted, probable open-pit resource of 11,340 tonnes grading 58.97 grams per tonne gold, an underground probable resource below the open pit of 20,225 tonnes grading 26.74 grams per tonne gold, and a further possible underground resource of 89,790 tonnes grading 23.66 grams per tonne gold (Information Circular 1997-1, page 21).

Surface diamond drilling totaling 1413.96 metres in 12 holes was completed on the Siwash Mining lease during 2000 testing the B, WD and Gold Creek West (GCW) zones.

A trenching program was carried out in 2001 in the Siwash East Area consisting of six trenches totaling 202 meters. Almaden Resources and Fairfield Minerals Ltd. merged into Almaden Minerals Ltd. in February, 2002.

In 2002, Almaden undertook a 26 hole surface diamond drill program for a total of 4995.67 metres testing the B, WD, GCW and Bullion Creek zones. During the 2003 field season a 6570 metre, 30 hole, diamond drill program was carried out by Almaden in the Siwash North area testing the WD zone. The WD vein system is located approximately 100 metres north of the Siwash B zone vein and has been tested over a strike length of 610m and down dip for 380m.

By the end of May 2004, a total of eight mineralized veins had been discovered on the property. Four vein systems had been drilled in the Siwash area: the B system with a strike length of 900 m has been tested down dip to 320 m; the WD zone with a strike length of 650 m has been tested to 370 m down dip; the GCW zone with a strike length of 300 m has been tested to 130 m down dip and the Bullion Creek (BC) zone which has been tested with two holes to a depth of 75 m. A new 43-101 compliant resource was calculated using drill data for the Siwash B and WD veins, just two of eight known mesothermal vein structures on the property.

Global (bulk-tonnage and underground mineable) measured and indicated resources were reported to total 668,300 tonnes grading 9.66 grams per tonne gold (207,600 ounces) plus an additional 1,317,200 tonnes grading 4.91 grams per tonne gold (207,800 ounces) in the inferred category (News Release, Almaden Minerals Limited, May 28, 2004).

Included in the global figures is a higher grade, underground-mineable resource totaling 164,000 tonnes grading 33.69 g/t gold in the measured and indicated category, plus another 195 200 tonnes grading 16.38 g/t gold in the inferred category.

In 2004 a diamond drill program consisting of 10,265 meters of NQ drilling in 44 holes was completed. As reported by Almaden in 2001, a possible extension to the B and WD vein systems was found roughly two kilometres along strike to the east, on the other side of an area of overburden cover and no outcrop, as part of a trenching program. Grab samples of the vein material taken at surface returned averaged analyses of 31.6 grams per tonne gold and 104.4 grams per tonne silver (News Release, Almaden Minerals Limited, March 4, 2005). This discovery added about two kilometres of prospective, unexplored strike length to the high-grade vein system.

DUCHESS showing (Porphyry Cu+/-Mo+-Au)**MINFILE 092HNE137***Sixteen kilometres east*

This alteration zone is mineralized with pyrrhotite and minor chalcopyrite, which are disseminated in the volcanics or localized in fractures. Locally pyrrhotite forms aggregates between 2 and 5 centimetres across. The chalcopyrite is erratic in its distribution and is generally weak. Pyrite was not recorded.

Strongly altered fault zones, with gold and silver mineralization, occur immediately north of the Duchess occurrence in the Wart claim group (see Annie Oakley (092HNE029) and Brew (092HNE275)).

Mineralization: Property Area (cont'd)

AU-WEN Prospect (Intrusion-related Au pyrrhotite veins;
Polymetallic veins Ag-Pb-Zn+/-Au)

MINFILE No 092HNE144

Within Property

Pyrite, pyrrhotite, chalcopyrite and arsenopyrite are disseminated sporadically in the tuffaceous rocks and argillite, up to about 1 per cent, and also occur in fractures (Assessment Reports 11241, 16008). Native gold is associated with the sulphides in narrow quartz-filled fractures in these rocks (Assessment Report 16008). Minor malachite occurs in volcanics. The overall extent of the mineralization has not been determined, although diamond drilling has demonstrated that minor pyrite, pyrrhotite and chalcopyrite, disseminated or associated with quartz or calcite fracture veinlets, does persist below the surface (Assessment Reports 11241, 16008).

Gold values in the area are generally low, but high values have been obtained from trench sampling and drill core at the main showing. Significant gold assays in chip samples range from 6.8 grams per tonne over 5.1 metres to 10.8 grams per tonne over 4.9 metres (Assessment Report 16008). Grab and select samples assayed between 14.4 and 91 grams per tonne gold (Assessment Reports 5766, 16008). The best drill core intersection assayed 4.97 grams per tonne gold over 1.5 metres (Assessment Report 16008).

Copper is associated with the gold mineralization; one rock sample from the main trench yielded 0.29 per cent copper (Assessment Report 7293). Another sample yielded 26 grams per tonne silver and 0.14 per cent lead (Assessment Report 7293). Silver in diamond drill core is generally under 1 gram per tonne (Assessment Report 11241).

SHRIMPTON CREEK PLACER past producer (Surficial placers)

MINFILE 092HNE180

Eight kilometres south

Particles of flat, well-worn, flaky gold, 1.5 to 3 millimetres in diameter, were recovered from unsorted glacial material. Most of the gold was found near surface. Material lying on or near bedrock was found to be barren of gold.

POT 1 showing (Volcanic redbed-CU)

MINFILE No 092HNE204

One kilometre west

Mineralization comprises erratically disseminated chalcopyrite, malachite, azurite and pyrite (Preliminary Map 15; Assessment Report 13714). The copper minerals occur in narrow zones striking southwest, transverse to the regional strike but parallel to a fault 1 kilometre to the northwest (Bulletin 69).

Individual rock samples from the showing were analysed at up to 0.95 gram per tonne gold and 4.8 grams per tonne silver (Assessment Report 13714). A composite chip sample across the showing was analysed at 2.55 grams per tonne gold and 1.9 grams per tonne silver over 130 metres (Assessment Report 13714, Drawing No. 2, sample W301). Gold and silver values appear to be proportional to the degree of alteration and copper mineralization (Assessment Report 13714).

Mineralization: Property Area (cont'd)

BREW showing (Alkalic porphyry Cu-Au; Subvolcanic Cu-Ag-Au; As-Sb)

MINFILE 092HNE275

Fifteen kilometres southeast

The zone has been traced on surface for 400 metres and is 30 to 40 centimetres wide. It is comprised of strongly gossanous clay and fault gouge containing 1 to 2 per cent pyrite. Quartz and quartz-calcite stringers and quartz blebs occur sporadically throughout the zone. A sample of quartz vein material yielded 0.14 gram per tonne gold and 14.4 grams per tonne silver (Assessment Report, 18041, page 8, sample 239774).

2009 LINEAMENT ARRAY ANALYSIS

Orthophoto maps obtained from MapPlace were utilized as the base map for the lineament array analysis on Tenure 633144. The analysis was accomplished using a stereographic projection viewing of the maps and marking the lineaments on an overlay. A total of 138 lineaments were marked (Figure 4), compiled into a 10 degree class interval, and plotted as a rose diagram as indicated on Figure 5.

Figure 4. Indicated Lineaments on Tenure 633144

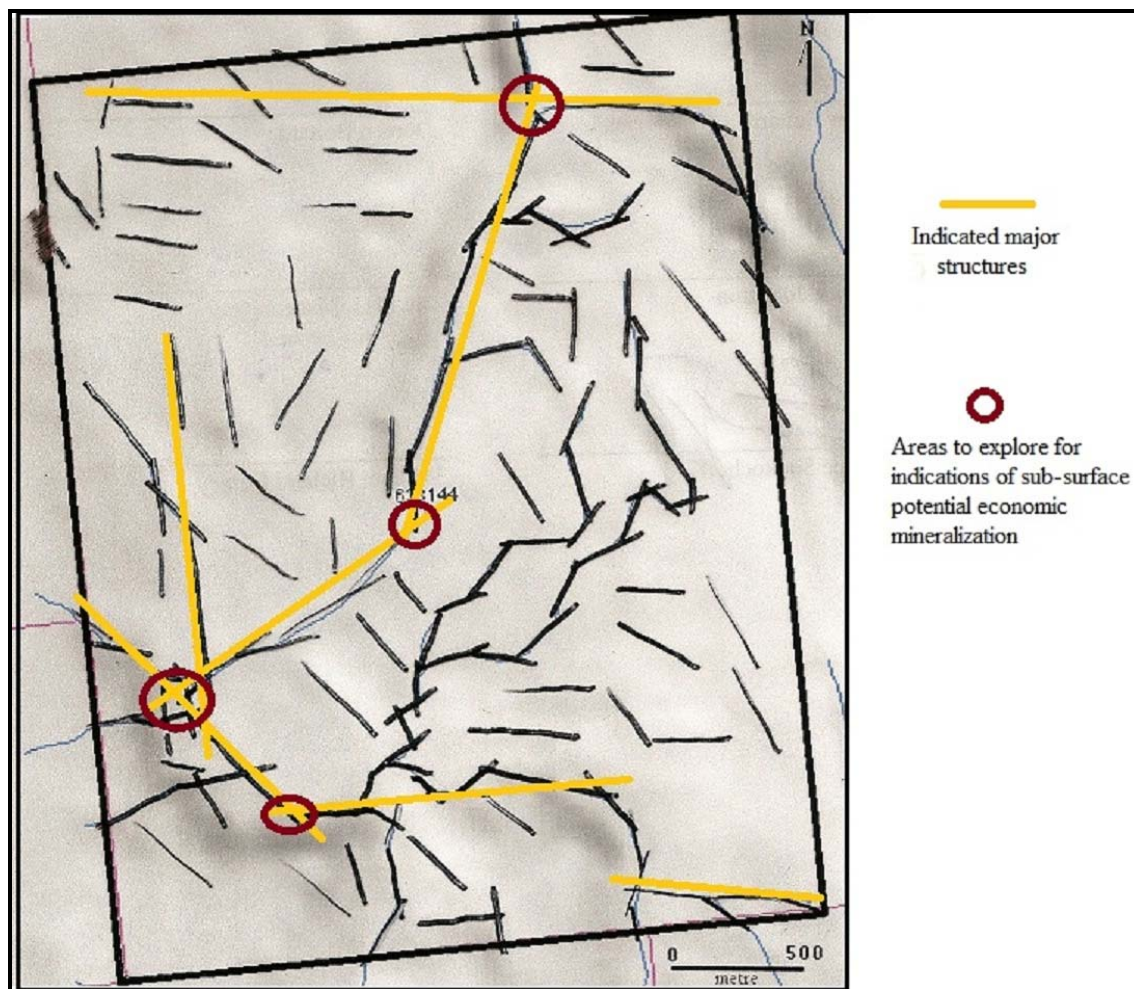
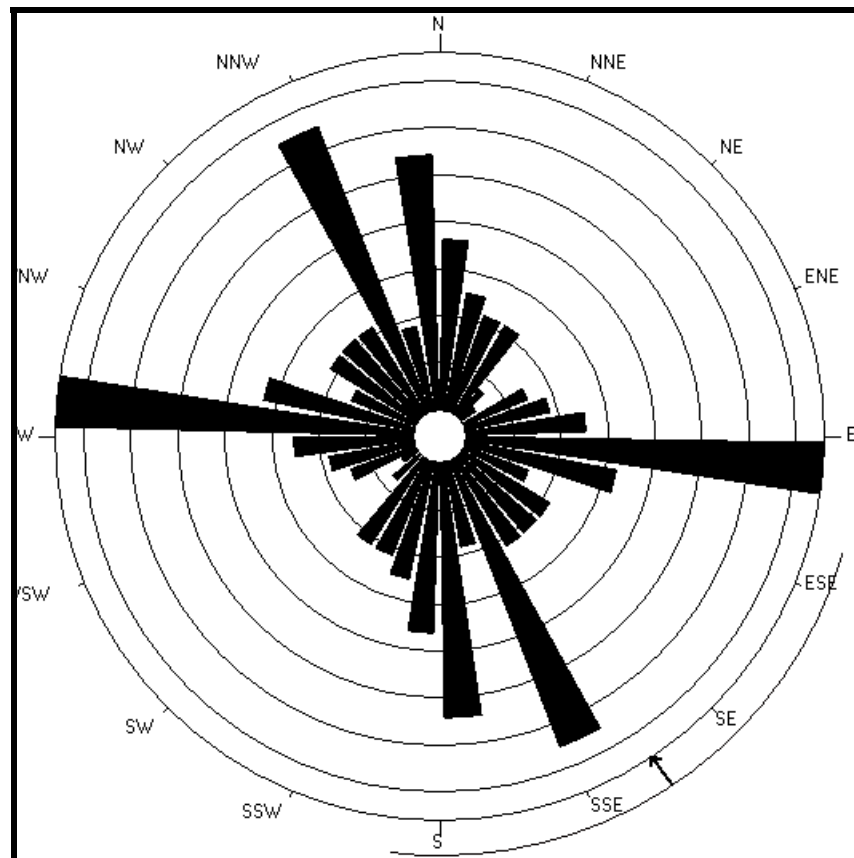


Figure 5. Rose Diagram from lineaments of Figure 4.



Axial (non-polar) data
No. of Data = 138
Sector angle = 10°
Scale: tick interval = 2% [2.8 data]
Maximum = 15.2% [21 data]
Mean Resultant dir'n = 146-326
[Approx. 95% Confidence interval = ±40.1°]
(valid only for unimodal data)

INTERPRETATION

The lineament array analysis on Tenure 633144 of the Toni 633144 Victory Resources property (Property) indicates dominant east-west structures, with subordinate northwesterly and northerly, trending structures which could be primary controlling structures to mineralization in this general area.

The Property area structures may be influenced by the major north trending Kentucky-Alleyne fault system to the west where numerous mineral prospects are hosted by northerly trending structures as opposed to the mineral controlling easterly trending structures east of the property hosted by structures possibly influenced by the intrusive (*mJgr*) seven kilometres to the east.

The east-west structures reflect the structural trend on the HN-WEN showing (*MINFILE 092HNE058*) located on the Property and where Victory recently completed a diamond drilling program which resulted in the delineation of the Adit 1 east-west trending quartz vein with a true width of up to 3.0 metres. Although the quartz vein returned relatively low gold values, the high upper level mineral associated mercury values of the quartz vein may indicate increased gold values to depth.

The significance of the Adit 1 vein is that it occurs within 50 metres north of the W96-1 drill hole where a mineral hosting quartz vein was intersected from which assays averaging 16.578 gm/t Au, 18.185 gm/t Ag, and 0.75% Cu over 6.55 metres of core or 3.81 metres of 28.43 g/t Au and 0.98% Cu.

The north-northwesterly trending structural trend indicates that this orientation may be the prime structural trend for mineral controls that may host potentially mineralized economic quartz veins as at the Elk/Siwash past producer (*MINFILE 092HNE096*).

This potential is indicated in the Brew showing (*MINFILE 092HNE275*) where the 40 metre wide northwest striking Brew fault hosts sections of strongly mineralized massive veins, narrow stringers and occasional disseminations of marcasite, pyrite and pyrrhotite and samples of pyritic clay-altered sections that have yielded up to 0.280 gram per tonne gold and 0.445 per cent arsenic.

Excluding other variable geological conditions, the structures are essential in the localization of potentially economic quartz vein hosted mineralization within the Nicola volcanics on the Property. Other mineral deposit types such as skarn or porphyry mineralization are evident from the prospects as indicated by the Minfile reports included herein.

Respectfully submitted
Sookochoff Consultants Inc.



Laurence Sookochoff, PEng

SELECTED REFERENCES

Balon, E.A. 1994: 2003 Geochemical Report on the AU Property for Fairfield Minerals Ltd. AR 23,446.

Clayton, C.J., 1991: Assessment Report on 1990 Geological Mapping and Sampling, and Soil Geochemistry of the Wart Group for Minnova, Inc. AR 20,994C

Dahrouge, J., 2001: 2000 Geological Mapping, Sampling and Line-Cutting on the AU Property for Commerce Resources Corp. AR 24,460.

Hall, D., 1994: Assessment Report IP/Resistivity Survey on the Nails Property for Cominco Ltd. AR 23,509.

Kierans, M.D., 1972: Mineral Exploration Report on the Hill Group, Wart Mountain Area for Nitracell Canada Ltd. AR 4,230.

MapPlace – Map Data downloads

MtOnline - MINFILE downloads.

Rowe, J.D., 1995: 1995 Geochemical Report on the Wave Property for Fairfield Minerals Ltd. AR 24,253.

STATEMENT OF COSTS

Lineament Array Analysis	
Laurence Sookochoff, P.Eng. 2 days @ \$750.00 -----	\$ 1,500.00
Maps -----	2,000.00
Report -----	<u>4,000.00</u>
	\$ 7,500.00
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CERTIFICATE

I, Laurence Sookochoff, of the City of Vancouver, in the Province of British Columbia, do hereby certify:

That I am a Consulting Geologist and principal of Sookochoff Consultants Inc. with an address at 120 125A-1030 Denman Street, Vancouver, BC V6G 2M6.

I, Laurence Sookochoff, further certify that:

- 1) I am a graduate of the University of British Columbia (1966) and hold a B.Sc. degree in Geology.
- 2) I have been practicing my profession for the past forty-three years.
- 3) I am registered and in good standing with the Association of Professional Engineers and Geoscientists of British Columbia.
- 4) The information for this report is based on information as itemized in the Selected Reference section of this report and from work the author has performed on the Toni Property since 2006.
- 5) I have no interest in the Property as described herein.
- 6) I am a director of Victory Resources Corporation.



Laurence Sookochoff, P. Eng.